

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

ELECTRONIC INVESTIGATION INTO THE)	
OPERATIONAL CAPACITY AND)	CASE NO.
INFRASTRUCTURE OF GRAYSON RURAL)	2020-00018
ELECTRIC COOPERATIVE CORPORATION)	

ELECTRONIC INVESTIGATION INTO THE)	
MANAGEMENT AND OPERATION OF)	CASE NO.
GRAYSON RURAL ELECTRIC COOPERATIVE)	2019-00101
CORPORATION)	

ORDER

Pending before the Commission are two management and operation audits, conducted in accordance with KRS 278.255 and 807 KAR 5:013, investigating the operation of Grayson Rural Electric Cooperative Corporation (Grayson RECC). The Commission initiated Case No. 2019-00101 on March 28, 2019, to investigate Grayson RECC's financial and operational condition, based upon deficiencies identified in previous proceedings. A management audit report of Grayson RECC prepared by Vantage Energy Consulting, L.L.C. (Vantage Audit Report) was filed on February 7, 2020, that contained 20 recommendations. Grayson RECC developed an action plan approved by the Commission and Vantage to address the recommendations. On October 20, 2020, Grayson filed its most recent action plan status report; the next action plan status report is currently due on March 31, 2021.

The Commission initiated Case No. 2020-00018 on March 6, 2020, to investigate Grayson RECC's infrastructure engineering, facilities planning, construction, and

operation and maintenance practices. A focused management and operations audit report was filed by The Liberty Consulting Group (Liberty Audit Report) on December 22, 2020, and contained eight recommendations, two of which overlapped with recommendations in the Vantage Audit Report. Grayson RECC's proposed action plans will be filed in two parts: the first on January 27, 2021, and the second on February 26, 2021. Once approved, Grayson RECC's initial action plan status report will be due on October 15, 2021.

Because both proceedings have reached the same procedural stage and because there are overlapping issues, the Commission finds that Case No. 2019-00101 should be consolidated into Case No. 2020-00018 in order to achieve administrative efficiencies and reduce the expenditure of resources. The Attorney General of the Commonwealth of Kentucky, by and through the Office of Rate Intervention, requested and was granted intervention in Case No. 2019-00101, and will continue as an intervenor in the consolidation of the issues in Case No. 2020-00018 regarding the financial and operational issues raised in Case No. 2019-00101. The Commission further finds that the action plan status report for Case No. 2019-00101 that was due on March 31, 2021, should be filed with the first action plan status report in Case No. 2020-00018 on October 15, 2021.

IT IS THEREFORE ORDERED that:

1. Case No. 2019-00101 is consolidated into Case No. 2020-00018, and all future documents related to Case No. 2019-00101 shall be filed in the record of Case No. 2020-00018.

2. Grayson RECC shall file the next action plan status report that was due on March 31, 2021, in Case No. 2019-00101 on October 15, 2021. The action plan status report for both proceedings shall be filed as one action plan status report.

3. The record of Case No. 2019-00101 is incorporated by reference into Case No. 2020-00018.

4. Case No. 2019-00101 is closed and removed from the Commission's docket.

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By the Commission



ATTEST:


Linda C. Adwell
Executive Director

Case No. 2020-00018

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